

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 99-308

July 23, 1999

FOX ISLAND ELECTRIC COOPERATIVE, INC.
KENNEBUNK LIGHT & POWER DISTRICT
MADISON DEPARTMENT OF ELECTRIC WORKS

ORDER GRANTING
WAIVERS

On May 6, 1999, Fox Island Electric Cooperative (FIEC), Kennebunk Light & Power District (KLPD) and Town of Madison, Department of Electric Works (MEW) (collectively, three COUs), filed a letter, pursuant to 35-A M.R.S.A. § 3212(6), informing the Commission that the three COUs have opted to conduct the standard offer bid process for their territories.

In the letter, the three COUs requested waivers from the requirement to conduct a bid process for standard offer service for the period beginning March 1, 2000 and continuing until the end of their current wholesale requirements power supply contracts. The three COUs would convert their existing wholesale contracts, which were obtained through an earlier bid process, into standard offer arrangements. Following the termination of the contracts, the three COUs would conduct standard offer bid processes. The three COUs stated that the requested waivers are justified to avoid the risk of incurring stranded costs as a result of the existing wholesale contracts.

On June 16, 1999, the three COUs orally requested additional waivers necessary to convert their existing wholesale contracts to standard offer service contracts. Specifically, the COUs requested waivers of the requirement that utilities charge standard offer providers for the calculation and issuance of bills (Chapter 322, § 3(F)); that utilities charge for the preparation and distribution of disclosure labels (Chapter 306, § 2(B)(6), (E)); and that a fixed uncollectable percentage be allocated to standard offer providers (Chapter 301, § 4(D)).

On July 16, 1999, FIEC and KLPD orally withdrew their waiver requests, stating that they would conduct standard offer bid processes. FIEC and KLPD asked for a waiver of all time period requirements regarding the bid process contained in Chapter 301, as was granted to Eastern Maine Electric Co-op, Houlton Water Company, Van Buren Light & Power District and Swans Island Electric Co-op. See Order, Docket Nos. 99-352, 99-461 (July 14, 1999). MEW, however, maintains its original request for waivers, allowing it to convert its existing contract to a standard offer contract.

The Commission's rules allow the Presiding Officer to waive provisions, upon good cause, if the waivers are not inconsistent with the purposes of the rules. The Legislature has provided COUs with the discretion to conduct their own bid processes to choose a standard offer provider for their respective territories. Consequently, it is

reasonable to allow the COUs considerable flexibility in determining the process by which the standard offer provider is chosen, as long as the COUs act consistent with statute. Because the COUs proposed actions do not violate the standard offer statute, 35-A M.R.S.A. §3212, and are not inconsistent with the purposes of Chapter 301, the requested waivers are hereby granted.

BY ORDER OF THE PRESIDING OFFICER

Mitchell M. Tannenbaum